

## AIT Laboratories confirms ESOP agreement

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**IBJ Staff** As expected, AIT Laboratories CEO Michael A. Evans has transferred ownership of the company to its workers through an employee stock ownership plan, or ESOP, the company announced today.

The Indianapolis-based company declined to reveal the price of the sale.

Fast-growing AIT Laboratories previously said it would make “a major announcement” today with Indiana Treasurer Richard Mourdock — perhaps the state’s biggest booster of ESOPs.

“Our employees are our biggest asset and they have earned the right to own the company that they work so hard for every day,” Evans said in a prepared statement. “When I founded AIT in 1990, I never wanted to sell the company to an outside party or go public. What I wanted was to create a legacy company for my employees. This plan allows me to make sure our employees will have long and prosperous careers at AIT.”

ESOPs essentially function as a retirement plan for employees, who borrow money to buy a stake in the company from the owner. As the loan is paid back out of profits, employees get company stock based on their longevity and salaries.

The arrangement is attractive to employees and employers alike because workers benefit directly from the company's success, and thus have a strong incentive to help it prosper. ESOPs also help ensure that businesses remain locally owned and locally based.

Mourdock began crusading for employee ownership plans shortly after being elected state treasurer in 2006. Last year, he launched a program that made \$50 million in financing available to firms undertaking ESOPs.

Evans founded AIT in 1990, and it now has 300 employees. The firm provides testing for physicians, hospitals and pharmaceutical companies.

The company's been on a tear lately. On June 25, Evans surprised workers by doling out \$2 million in midyear bonuses. He said the payout was justified because revenue in the first five months of the year had risen 93 percent from the same period a year earlier.

“Our employees helped us to have record months from January through June and they deserve to share in some of the company's profits,” Evans said. “If the company continues to be profitable, employees will receive another net profit-sharing bonus at the end of the year.”